

SECRET

OGC 7-1598

23 September 1957

MEMORANDUM FOR THE RECORD

SUBJECT: Proposed CIA Legislation

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1. Messrs. Warner and [] met with Messrs. Spencer Platt, Harry Wilhelm and Rolland Severy of the Bureau of the Budget to discuss possible CIA legislation and to secure information on over-all administration policy on various items. The following items were mentioned specifically:

- a. Travel of dependents for educational purposes;
- b. home leave;
- c. medical care for dependents;
- d. travel for hospitalization purposes of dependents;
- e. emergency storage;
- f. benefits for certain alien employees in the U.S.;

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Many of these items had been held up in the Bureau of the Budget last year at the last moment because of the over-all policy of not going forward with any legislation which would be an additional drain on the budget. Several items had simply not been cleared due to the impending departure of Phillip Young and new faces in the Civil Service Commission concerned with these matters. The Bureau of the Budget advised that they could not tell as of this time whether the over-all policy would be changed at any time. However, they felt about 1 November of this year they would be giving the subject general consideration.

2. While not wishing to discourage CIA from presenting its legitimate needs they indicated they saw no reason why the existing general policy against legislation which cost additional funds would not

SECRET

be applied to special CIA requests in the same manner that it would be applied to the general legislation applicable to all Government employees.

3. In the field of retirement, the Bureau of the Budget recognized that we did have a specific problem and indicated they had worked with us in the past and would in the future in an attempt to solve this one. While not trying to tell us which way we should go on this subject, it was indicated that an amendment to the Civil Service Retirement Act to give CIA employees special benefits would probably not receive their endorsement and they did not consider it to be good law. The thought of establishing an independent disability and retirement system based on the principles of the Foreign Service Act would probably bring this situation up against the general policy of not committing additional funds. In addition they strongly hinted that the Bureau of the Budget was opposed to this approach. The other approach to retirement which would involve amendments to the Civil Service Retirement Act for a category of employees without specifically referring to CIA appeared to be more acceptable to the Bureau of the Budget at this point. They indicated that very likely this type of an approach would receive heavy support from other agencies particularly the Department of Defense.

4. We stated that CIA would keep in touch with them to keep abreast of administration and Bureau of the Budget thinking. It was also stated that the Agency would inform them as we moved along in our analysis of our problems internally and would keep them advised on an informal basis of our approaches to the question of submitting legislation.

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JOHN S. WARNER
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cc: IG
DD/S
Comptroller
Director/Personnel
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